



# Telecommunications Law Professionals PLLC

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January 25, 2012

## BY ELECTRONIC COMMENT FILING SYSTEM

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, D.C. 20554

Re: Ex Parte Communication – Federal-State Joint Board on Universal Service, CC Docket No. 96-45;  
Lifeline and Link Up, WC Docket No. 03-109; Lifeline and Link Up Reform and Modernization, WC  
Docket No. 11-42

Dear Ms. Dortch:

On January 23, 2012, Mark Stachiw, Vice Chairman, Secretary & General Counsel of MetroPCS Communications, Inc. ("MetroPCS") (via teleconference), along with Carl W. Northrop, Michael Lazarus and Jessica DeSimone of Telecommunications Law Professionals PLLC ("TLP"), met with Zac Katz, Chief of Staff to Chairman Genachowski, and Carol Matthey and Kimberly Scardino, both of the Wireline Competition Bureau. The oral presentation made during this conference was consistent with the pleadings and ex partes filed on behalf of MetroPCS in the above-referenced proceedings.

MetroPCS expressed its appreciation regarding the recent efforts of the Commission to remedy the rampant waste, fraud and abuse existing in the current Lifeline program. However, MetroPCS stressed that stronger reform measures are needed and that the Commission's current system of making Lifeline payments to carriers promotes fraud, stifles competition and limits the ability of Lifeline customers to get the benefits of advanced broadband services. Problems such as duplicate discounts being applied to single homes, as well as unused- but active and paid for- phones, must be tackled by the Commission in its upcoming reform.

In particular, MetroPCS focused on its proposal to reform the program's service provider-paid model to a model where payments are made directly to the consumer. Under such a program, vouchers would be provided to qualified applicants to obtain Lifeline program benefits from all telecommunications providers, not just those that are currently designated as an eligible telecommunications provider ("ETC"). In order to increase efficiencies, MetroPCS suggested that the Commission consider combining functions with existing low-income benefit programs already designed to determine the qualification of applicants. With the universe of available service providers being all licensees, not just those who are currently

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designated as an ETC, as well as vouchers going directly into the hands of the qualified participant, the government would become more aware of the actual recipient of the subsidy payments, thus assisting the FCC in meeting the goals of the Lifeline program by allowing easier detection and destruction of fraud, waste and abuse opportunities.

MetroPCS further reiterated its position that in implementing such a voucher-based program, the Commission should consider permitting all telecommunications carriers to participate. By doing so, the Commission would eliminate significant hurdles and burdens that carriers must undergo to become eligible to participate in the Lifeline program, therefore increasing the amount of carriers involved in providing these benefits. This could be in the form of deeming all facilities-based providers (and resellers) as ETCs for the purpose of the Lifeline program, or lessening the requirements necessary to provide such services. MetroPCS discussed its view that the Commission has greater authority under Section 332 of the Communications Act of 1934 (the "Act") and therefore the Commission could designate all CMRS carriers as ETCs notwithstanding Section 214 of the Act relating to state authority to designate ETCs. Further, this proposal would convert the current Lifeline program from a carrier- or government-driven program, to one that is driven by the customers themselves. Such a program would spur competition and choice for the consumer and ultimately would provide greater services for Lifeline beneficiaries.

MetroPCS believes that the adoption of this proposal would result in significant public interest benefits, as this program would both curb and eliminate a considerable amount of the waste, fraud and abuse in the current system, and also inject significant competition into this portion of the industry. Finally, MetroPCS requested that the Commission accept public comments on its proposal and all accompanying issues in any upcoming Lifeline Notice of Proposed Rulemaking.

Any questions regarding this notice should be directed to the undersigned.

Sincerely,

/s/ Carl W. Northrop

Carl W. Northrop  
of TELECOMMUNICATIONS LAW PROFESSIONALS PLLC

cc (via email): Zac Katz  
Carol Matthey  
Kimberly Scardino